

SECRET

CLASSIFICATION S-E-C-R-E-T
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

50X1-HUM

CD NO.

COUNTRY China; USSR
 SUBJECT Economic - Agriculture, land reform
 HOW PUBLISHED Daily newspapers, monthly periodical
 WHERE PUBLISHED Shanghai; Moscow
 DATE PUBLISHED 15 Jun 1950 - 15 Mar 1951
 LANGUAGE Russian

DATE OF INFORMATION 1950 - 1951

DATE DIST. / 3 Jun 1951

NO. OF PAGES 9

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT OF U. S. C., 51 AND 52, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Newspapers as indicated.

SHANGHAI RUSSIAN PAPER NOTES
PROGRESS IN CHINESE AGRARIAN REFORMS
AND THE AID OF THE USSR

[Numbers in parentheses refer to appended sources.]

To lay the groundwork for the future application of Soviet methods of agriculture, a new Agrarian Reform Law was promulgated by the Central People's Government of the People's Republic of China, on 30 June 1950. This law was designed to reintroduce a policy of leniency towards the rich peasant and to abolish the feudal landlord -- both absentee landowners and those who, though present, took no part in the cultivation of their land, but depended entirely on the collection of rents from tenant farmers.(1)

The expressed aims of this law are as follows:

1. Abolish the landlord class and introduce a system of peasant land-ownership.
2. Open up new sources for China's industrialization, as well as provide land to the tillers.
3. Supervise the equitable distribution of land, confiscated from land-owners who do not cultivate their own holdings, among the poor farmers and the landless.
4. Confiscate and manage the land owned by religious organizations, with the exception of property owned by mosques.
5. Set aside part of the land to be nationalized for the purpose of establishing agricultural experimental stations and state model farms.
6. Organize agrarian reform committees which are to be responsible for directing and handling all matters concerning agrarian reform.

- 1 -

SECRET

CLASSIFICATION		S-E-C-R-E-T											
STATE	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSRB	DISTRIBUTION								
ARMY	<input checked="" type="checkbox"/>	AIR	<input checked="" type="checkbox"/>	FBI									

SECRET
S-E-C-R-E-T

50X1-HUM

7. Establish people's courts throughout the country to try land cases and ensure the successful completion of these reforms.(2)

These reforms have succeeded in liquidating the former feudal system of landholding and have lessened the tragic plight of the vast majority of the peasant population. This is especially true in the formerly liberated areas embracing a population of 160 million. For example, in Manchuria, the living standards of peasants have increased by from 60-70 percent in Sungkiang Province, by 66 percent in Kirin Province, and by 54 percent in Heilungkiang Province. In these provinces, more than 20 million peasant households were granted land, animals, and farm holdings confiscated from landlords. By means of state loans, construction of irrigation works and supplies of seed, farm tools, and fertilizers, the grain harvests have been increasing yearly in these areas. In 1947, the harvest of food crops in Manchuria totaled 10,730,000 tons, whereas in 1948 it had increased to 11,870,000 tons, and in 1949 to 13,200,000 tons. According to the plan, the grain harvest in Manchuria was to be raised to 18 million tons for 1950; and by September 1950, this plan was exceeded by 759,000 tons.(3)

To ensure an increase in the over-all size of annual harvests, the Soviet Union has shipped tractors, seeders, threshers, combines and other farm machines to China. Soviet agronomists, scientific specialists, and technicians have been introducing Michurin principles of farming on many Chinese fields.(4)

With the assistance of Soviet specialists, a new tractor school has been opened near Peiping. In the fall of 1950, 30 completely mechanized farms were in operation in Northeast, North, and East China. All of the equipment used on these farms was recently imported from the Soviet Union to facilitate the adoption of Soviet agricultural methods.(5)

Soviet scientific methods of farming can be best applied on up-to-date farms where modern equipment is available. Thus, the People's Republic of China adopted the Agrarian Reform Law in an effort to modernize the existing backward farming system. On 25 February 1950, it was announced in Peiping that agrarian reform had been completed in Northeast China and in the older liberated areas of Hopeh, Shansi, Chahar, Suiyuan, Pingyuan, and Shantung. By late spring of 1950, land reforms had been conducted in areas with a total population of 178 million people. By the end of November 1950, they had been introduced in South and Central China, Northwest China, and in other parts of North China not mentioned above. This program covers 550 hsiens with a population of 140 million people. More than 80 million peasants who formerly possessed neither homes nor land received equitable portions of land and adequate shelters.(4)

In the extensive agricultural regions along the lower course of the Yangtze River in East China, agrarian reform is now being applied on a broad scale. By the end of the summer of 1950, with the assistance of Soviet advisers and specialists, courses were being conducted to instruct 176,000 men in the formation of cadres to participate in the execution of land reform. Among this number were 90,000 members of the Chinese Communist Party, members of administrative organizations, and peasant societies of the various administrative and provincial regions.(6)

The personnel in workers' brigades exceeds 80,000. The brigades include members of the various democratic parties and groups and a large number of revolutionary youths, in addition to cultural representatives and scientific workers. By the end of October 1950, workers' brigades had been sent into the agricultural regions and had begun work at their assigned stations in the various parts of East China.(6)

- 2 -

S-E-C-R-E-T

SECRET

SECRETS-E-C-R-E-T

50X1-HUM

Since reorganization, the peasant societies in different local areas have been substantially strengthened and the membership of the societies has grown from 21 million people to 23,890,000. East China has been speeding up the application of agrarian reforms with the hope of attaining final completion of this program by the end of March 1951. The reform program has already spread to 246 rural hsien having a farming population of 63 million people.(7)

By 18 November 1950, the distribution of land to peasants was completed in 1,183 villages and in 1,004 villages it was still in progress. This land movement is developing quickly and smoothly. By the end of 1950, it was spreading into the recently liberated areas. Having thus completed the preparations for the application of agrarian reforms, all areas are now mobilizing the vast peasant masses to supplant the former feudal system with this progressive agrarian movement.(8)

Land reform has been introduced into a total of 22,757 villages in the region of East China, embracing the provinces of Kiangsu, Anhwei, Chekiang, and Honan.(9)

In Chekiang, experimental measures in applying agrarian reforms have been proceeding uniformly and uninterruptedly. After 10 months of preparation, from the spring of 1950 to the end of November 1950, the preliminary work was completed according to the data compiled by the Peasant's Society of Chekiang. Land reform was completed in 1,014 villages and was still in progress in 1,950 others.(9, 10)

In Kiangsu, the peasants achieved noteworthy results in the field of agricultural productivity for 1950. Agrarian reforms have been almost completed in the recently liberated areas of North Kiangsu. By October 1950, land reform was completed in 2,212 villages of a total of 3,953, or more than half of all the villages in these liberated regions. In South Kiangsu, land reform was started in July 1950, and by the middle of December had been completed in 1,157 villages. The People's Government of Kiangsu, encouraged by the fact that Kiangsu had exceeded its first annual production goal, has worked out a program for 1951. It calls for the attainment of normal production levels, and an increase of 8-10 percent over last year's production. Attention is particularly directed toward the development of cotton and hemp, protection of forests, development of animal husbandry, and encouragement of business.(9, 10, 11)

In Honan, since October 1950, land reform has been completed in 426 villages. Since reform, membership in Peasant Unions has greatly increased. In many villages, this increase in membership has made it possible for the unions to embrace between 30 and 35 percent of the total population of the village.(12)

In Anhwei, the Regional Communist Party and the Training Committee of the Peasants' Society of South Anhwei have entrusted their best workers with the organization of two brigades. One brigade is to go to the Tsuan-cheng Special District, and the other is to go to the Hui-chou Special District to inspect the implementation of agrarian reforms.

In September and October 1950, the redistribution of land was completed in 132 administrative units of South Anhwei. According to data obtained on 8 December 1950, land distribution was completed in 545 administrative units in November 1950. In September, October, and November 1950, land reforms were applied in 677 administrative units and in 1,415 villages; in 95 of the latter, reforms are still in progress. According to the figures for the winter crop harvest in South Anhwei at the end of November 1950, spring plowing was conducted on 4,928,347 mou of land [1 mou equals 1/16 hectare]. Winter crops had been raised on 3,476,711 mou; thus, the original planted area was increased by more than 746,000 mou. The area of wheat plantings in 1950 was the largest for the past 3 years.(9, 13, 14)

- 3 -

S-E-C-R-E-T**SECRET**

SECRETS-E-C-R-E-T

50X1-HUM

Although the agrarian reform movement has been put into operation in more than 20,000 villages of East China, it has also made much headway in South and Central China. Here it has been introduced into an area with a total population of 60 million people. The reforms were to have been completed this spring, thus ending more than 3,000 years of the feudal system among more than 70 percent of the population of South and Central China. The movement is spreading from several thousand locations which had been selected for the experimental application of land reforms in the six provinces of this area. Over 100,000 experimental workers, in addition to those peasants who have received at least 3 months of actual experience, are being sent into villages in groups to handle the redistribution of land. (6, 15)

In Hunan, the peasants around Chiang-sha were the first to gain by the redistribution of land. Formerly only 4 percent of the peasants working in the fields actually owned their land. Now every peasant has his own piece of land. Peasants in this area have now received 400 hectares of land and more than 2,000 farm tools. Dwellings have been confiscated from landowners, and peasants have received title to these homes. Already 200 villages of Hunan Province have completed the application of land reforms and more than one million peasants have received land allotments. (16, 17)

As a result of the great strides made in the implementation of land reform, the grain harvest in 1950 was 10,100,000 tons larger than in 1949. Throughout the country more than 120 million tons of grain were collected. Shanghai, Canton, and other cities which previously depended on imported rice, now will store native rice. The peasant masses of the entire country collectively contributed to exceed this first annual production plan. In Hunan, the plan was fulfilled by 103 percent; in Kiangsi, the plan was 93 percent fulfilled by mid-November 1950. In addition, the collection of grain increased 10.8 percent in comparison with 1949, and the production of raw cotton increased 58.9 percent over 1949. Adequate harvests of other crops were also obtained. (6, 18, 19)

The cotton crop of 1950 showed an increase of 260,000 tons over 1949. This was 20 percent greater than the prewar level, but still is below the wartime average of 800,000 tons per year. As a result, the government is giving much attention to the solution of the cotton problem. The estimated capacity of China's cotton textile industry, with its 5,200,000 spindles, is 550,000 tons of cotton a year. During the war, when cotton harvests were between 800,000 and 850,000 tons a year, not more than 300,000 to 350,000 tons were delivered annually to factories. In 1949, with a cotton harvest of 415,000 tons, not more than 150,000 tons reached the factories. The rest of the cotton was either used by the peasants for household production or was immobilized by speculators and kulaks who hoarded it.

The government of the People's Republic of China has, therefore, taken strict measures to combat speculation in cotton and has established punishment for cotton hoarders. As a result, the entire supply of cotton is now being equally distributed among factories. The government raised the purchase price of cotton to encourage peasants to make deliveries and to increase the areas sown in cotton. The railroad rates for delivering cotton from the place of production to the place of consumption have been cut by 50 percent. In 1950, the plan to raise cotton production to 650,000 tons was exceeded by more than 25,000 tons. As a result textile factories were in operation the entire year. (3, 18) /Press reports from the mainland of China set the total cotton crop for 1950 at 14 million piculs [1 picul equals 60 kilograms] or approximately 9 million tons./

The 1950 harvest has meant much to the young industries of the country. Many of them are now stockpiling raw materials as never before. Peasants are now able to purchase more goods than ever before. They now can buy machine-made cloth, although hitherto they had to be satisfied with homespun. Cigarettes now supplant tobacco which the peasants had been cultivating themselves. On the market are such consumer items as bicycles, soap, flashlights, etc. As a result, the material position of peasants has been immeasurably improved. (18)

- 4 -

S-E-C-R-E-T**SECRET**

SECRETS-E-C-R-E-T

50X1-HUM

The government has played an important role in expanding the over-all size of the yearly harvest and in bettering the life of the peasant. It has granted sizable loans to peasants, lowered land rents, supplied farmers with better seeds for planting, etc. Reducing rents by 25-30 percent and cutting interest rates has proven to be a great incentive to the peasant. Since he now owns his own land, he does his utmost to utilize it to the fullest. Excessive land rents collected by landlords are being confiscated and returned to the peasants. In May 1950, rents were cut in 80 percent of the villages in the provinces of Hupeh, Hunan, and Kiangsi. Landlords returned approximately 45,000 tons of grain to peasants. As a result, the total amount of tillable soil is now about one million hectares. (3, 18)

The peasants have expressed their satisfaction by making their grain tax payments on time to the Central People's Government, at least in most of the provinces. In the southern part of Kiangsi Province, the payment of grain to the government was completed in the fall of 1950. In the suburbs of Shanghai, the plan of grain payment to the government was fulfilled 90 percent. In many areas the payment plan was about 97 percent fulfilled. In only a few areas taxes were not collected. In most of the provinces, the peasants have also contributed their labor and energies in the digging of wells, erecting water wheels, constructing canals, strengthening dikes, etc. (6, 16, 3)

Here are a few examples of the products of peasant labor:

1. A large irrigation project has been completed in the region of the Sang-kan Ho, as a result of which 40,000 hectares of arable land have been greatly improved. (20)
2. About 4,000 kilometers of dikes have been strengthened around Tung-t'ing Hu, which is the most important natural reservoir of the Yangtze River. As a result, more than 400,000 hectares of fertile land are being protected. Furthermore, many millions of hectares of land in the middle and lower courses of the Yangtze are being protected from the annual floods. (6)
3. More than 22,000 kilometers of railroad lines were restored and kept in operation. As a result, 97 percent more freight was handled in 1950 than in 1949. (21)
4. More than 100,000 kilometers of paved roads have either been repaired or newly constructed. (22)
5. Considerable work in dredging the Hwai River has been accomplished. (21, 23, 24)

Government purchases of farm crops, as conducted by various corporations of East China during 1950, have greatly stimulated the development of trade between cities and villages, thus increasing the purchasing power of peasants. Government corporations of East China have purchased the following crops: 879 million catties of wheat [1 catty equals 0.6 kilograms]; 1,400,000 piculs of cotton; 300,000 piculs of unprocessed tea; 450,000 piculs of silk cocoons; 12 million catties of tobacco; and 40,000 catties of bean oil cakes. Also many other crops such as bristles, tung oil, and pork have been purchased. (4)

The above-listed purchases were made in the following manner: (1) directly by branch corporations, (2) by temporary purchasing sections, (3) by cooperatives, and (4) by public and private enterprises. (4)

Purchases on such a large scale and at normal prices have increased the buying power of peasants. For example, one group of peasants sold their supply of silk cocoons for 67 million yuan. With this sum, the peasants not only covered the cost of their mulberry trees, but also paid for their purchases of fertilizer, salt, butter, clothes, flour, and valuable furnishings for their households. Factories and plants have profited by this increase in purchasing power

- 5 -

S-E-C-R-E-T**SECRET**

SECRETS-E-C-R-E-T

50X1-HUM

since they have received a larger volume of orders. As a result, China showed a favorable balance of trade from January to October 1950. During this period, 54.3 percent of the over-all turnover of goods was by government enterprises. The principal items of export were soybeans, tung oil, and raw materials for industrial enterprises. The chief receiver of Chinese exports was the Soviet Union. (4, 25)

To assure further development of agriculture and forestry, the People's Republic of China has established the following general aims for agriculture in 1951 as follows:

1. Increase the production of grain.
2. Extend the area set aside for the cultivation of cotton.
3. Develop animal husbandry and aviculture.
4. Increase protection of forests.
5. Expand afforestation work.
6. Develop silkworm breeding.
7. Increase the production of hemp, tobacco, and tea.
8. Expand the production of raw materials for industry. (16, 19, 26)

To assure the realization of these aims, the government has also set the proportionate rates of increased production expected for the following:

1. Grain production in 1951 should reach 62,461,000,000 catties. This would exceed production for 1950 by 7.1 percent or 4,235,000,000 catties.
2. Cotton production should amount to 14,570,200 piculs. The entire area to be set aside for cotton cultivation is about 18 million mou. As a result, 1950 cotton production should be exceeded by 36.9 percent.
3. Tobacco production in 1951 should be 324.1 percent greater than that of 1950.
4. Tea production should be 35.1 percent greater than that of 1950.
5. Raw material for the sugar industry should be 29.1 percent greater than that of 1950.

In addition to the above-listed rates of expected increase, the government also provides for the expansion of afforestation work over an area of 2,200,000 mou, the growing of seedlings in nurseries over an area of 56,000 mou, and the establishing of national forests over an area of 8 million mou. (16, 19, 26)

On 3 February 1951, the Department of Agriculture and Forestry of the East China Military and Administrative Committee issued a directive concerning the final preparations for 1951 spring planting. It suggested that serious attention be devoted, on the regional level, with regard to village organizations and separate households, to the implementation of their own assigned plans before spring planting. It strongly suggested that there should be great vigilance to avoid any negligence in conducting the work, and that all preparations for the spring planting be carried out in the usual manner after the New Year's holidays. It emphasized the importance of planting cotton and trees in spring. The directive also asserted that spring planting this year should

- 6 -

S-E-C-R-E-T**SECRET**

SECRETS-E-C-R-E-T

50X1-HUM

be easier than last year, since there had been no serious outbreaks of famine in most of the regions of East China. With the exception of North Anhwei and North Kiangsu, there has been no need for any water barriers at the big industrial plants. In addition, the working force and the supply of materials are much greater than in the past. Furthermore, the soldiers of the People's Liberation Army have contributed much assistance. They have been and are still being used in field work, and when necessary, to repair or construct river dikes. (4, 18, 19)

The People's Republic of China has already accomplished the tremendous task of organization and leadership of the peasant masses in the field of agriculture. In this task, many mistakes have been made and many abuses of land reforms have been uncovered. Liu Shao-ch'i, the labor leader and one of the senior vice-chairmen of the Central People's Government, in his speech introducing the draft Agrarian Reform Law on 14 June 1950, frankly admitted that rural cadres in many areas had followed their own will and confiscated the land and property of rich peasants as well as those of landlords. He also admitted that the wastage by Communist Party tax collectors and agents had greatly influenced the promulgation of this Reform Law of 1950. Although he put forward the excuses of the bitterness of the struggle against the Kuomintang and the inexperience of most of the rural cadres in matters concerning agrarian reform, Liu stressed rather than attempted to hide the many mistakes of the past, and declared that the only way to prevent their repetition in the future was to draw special attention to them now. (1, 27)

In realization of the potentialities as well as the inadequacies of the over-all organizational setup for carrying out land reforms, the government has required the adoption and application of the following principles:

1. Land and property belonging to peasants are to be protected.
2. Products of labor and earnings of workers are to be inviolable.
3. The best student workers are to be encouraged.
4. Scientific agricultural accomplishments are to be popularized and fostered, by encouraging initiative in carrying out experimental work.
5. The competitive labor system is to be enthusiastically encouraged.
6. The new tax policy of the central authority is to be initiated for the purpose of increasing productivity. In essence, taxes are to be spread more equally and fairly.
7. Mutual assistance is to be sponsored in farming regions, on the principle of free and equal labor exchange.
8. Credit is to be made available to peasants. Loans are to be offered on the basis of unrestricted agreements between lender and borrower, each agreeing to a mutually established percentage rate.
9. Equitable prices for the purchase of farm products are to be established and enforced.
10. Barter between city and village is to be encouraged and improved by the adoption of the necessary enforcement measures.
11. Wealthy peasants are to be permitted to develop their enterprises, and to hire workers, provided they pay them a living wage in accordance with existing laws of the People's Republic of China.

- 7 -

S-E-C-R-E-T**SECRET**

SECRETS-E-C-R-E-T

50X1-HUM

12. Assistance is to be rendered the families of soldiers and martyrs of the revolution. Demobilized soldiers are to be encouraged to take positions in productive activities.

13. Landowners and idlers are to be required to take positions in production. Landowners or reactionaries who engage in subversive activities are to be punished severely.

14. In regions where agrarian reforms still have not been completed, land rents are to be lowered and the rights of tenants are to be protected.

15. The Agrarian Reform Law is not to apply to areas where agrarian reform has, in the main, already been completed; nor is it to apply in areas of minority nationalities, nor in rural areas in the vicinity of big cities. (7, 16)

To insure the earliest possible realization of these principles with the least possible amount of mistakes and abuses, the Soviet Union has established Special Trade Missions in the larger cities. In addition, the USSR has assisted in the establishment of special technical training schools, state farm enterprises, model mechanized farms, machine tractor stations and special instruction courses, dealing with the useful operation of modern farming equipment and the application of Soviet methods of agriculture.

The Soviet Union has supplied China with practically all the new farm equipment now in use on Chinese fields. This equipment includes tractors, cultivators, plows, harrows, combines, harvesters, baling machines, etc. Soviet technical advisers and trained scientific specialists are now playing an increasingly important role in the formation of Peasant Unions, Agricultural Labor Groups, Peasant Leagues, and Rural Cadres.

In summary, the Soviet Union has demonstrated her willingness and desire to assist the People's Republic of China in the completion of her land reform, and thus lay the groundwork for application of the principles of scientific agriculture. (4, 5, 28)

SOURCES

1. Shanghai, Novaya Zhizn', 16 Jun 50
2. " " " 1 Jul 50
3. Moscow, Voprosy Ekonomiki, No 9, Sep 50
4. Shanghai, Novaya Zhizn', 14 Feb 51
5. " " " 1 Oct 50
6. " " " 13 Dec 50
7. " " " 3 Feb 51
8. " " " 31 Jan 51
9. " " " 2 Feb 51
10. " " " 30 Dec 50
11. " " " 16 Dec 50
12. " " " 13 Jan 51
13. " " " 18 Jan 51
14. " " " 4 Jan 51
15. " " " 13 Feb 51
16. " " " 14 Jan 51
17. " " " 15 Jan 51
18. " " " 25 Jan 51
19. Moscow, Pravda, 16 Feb 51
20. Shanghai, Novaya Zhizn', 21 Dec 50
21. " " " 8 Jan 51
22. " " " 1 Feb 51

- 8 -

S-E-C-R-E-T**SECRET**

SECRETS-E-C-R-E-T

50X1-HUM

SOURCES

23.	Shanghai, Novaya Zhizn',	27 Dec 50
24.	" " "	22 Jan 51
25.	" " "	26 Jan 51
26.	" " "	16 Jan 51
27.	" " "	15 Jun 50
28.	" " "	7 Nov 50

- E N D -

- 9 -

S-E-C-R-E-T**SECRET**